

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ZOHAR III, CORP., *et al.*,¹

Debtors.

Chapter 11

Case No. 18-10512 (KBO)

Jointly Administered

LYNN TILTON, PATRIARCH PARTNERS VIII, LLC, PATRIARCH PARTNERS XIV, LLC, PATRIARCH PARTNERS XV, LLC, OCTALUNA, LLC; OCTALUNA II, LLC, AND OCTALUNA III, LLC,

Plaintiffs,

v.

Adv. Pro. No. 19-50390

MBIA INC., MBIA INSURANCE CORPORATION, U.S. BANK, N.A., ALVAREZ & MARSAL ZOHAR MANAGEMENT, CREDIT VALUE PARTNERS, LP, BARDIN HILL INVESTMENT PARTNERS F/K/A HALCYON CAPITAL MANAGEMENT LP, COÖPERATIEVE RABOBANK U.A., VÄRDE PARTNERS, INC., ASCENSION ALPHA FUND LLC, ASCENSION HEALTH MASTER PENSION TRUST, CAZ HALCYON OFFSHORE STRATEGIC OPPORTUNITIES FUND, L.P., BROWN UNIVERSITY, HCN LP, HALCYON EVERSOURCE CREDIT LLC, HLF LP, HLDR FUND I NUS LP, HLDR I TE LP, HLDR FUND I UST LP, HALCYON VALLÉE BLANCHE MASTER FUND LP, BARDIN HILL EVENT-DRIVEN MASTER FUND LP, PRAETOR FUND I, A SUB FUND OF PRAETORIUM FUND I ICAV,

¹ The Debtors, and, where applicable, the last four digits of their taxpayer identification number are as follows: Zohar III, Corp. (9612), Zohar II 2005-1, Corp. (4059), Zohar CDO 2003-1, Corp. (3724), Zohar III, Limited (9261), Zohar II 2005-1, Limited (8297), and Zohar CDO 2003-1, Limited (5119). The Debtors' address is c/o FTI Consulting, Inc., 1166 Avenue of the Americas, 15th Floor, New York, NY 10036.

HIRTLE CALLAGHAN TOTAL RETURN
OFFSHORE FUND LIMITED, HIRTLE
CALLAGHAN TOTAL RETURN
OFFSHORE FUND II LIMITED, HIRTLE
CALLAGHAN TRADING PARTNERS, L.P.,
AND THIRD SERIES OF HDML FUND I
LLC,

Defendants.

ZOHAR CDO 2003-1, LIMITED; ZOHAR II
2005-1, LIMITED; and ZOHAR III,
LIMITED; ZOHAR II 2005-1, CORP.;

Plaintiffs,

v.

Adv. Pro. No. 20-50534

PATRIARCH PARTNERS, LLC;
PATRIARCH PARTNERS VIII, LLC;
PATRIARCH PARTNERS XIV, LLC;
PATRIARCH PARTNERS XV, LLC;
PHOENIX VIII, LLC; OCTALUNA LLC;
OCTALUNA II LLC; OCTALUNA III LLC;
ARK II CLO 2001-1, LLC; ARK
INVESTMENT PARTNERS II, LP; ARK
ANGELS VII, LLC; PATRIARCH
PARTNERS MANAGEMENT GROUP, LLC;
PATRIARCH PARTNERS AGENCY
SERVICES, LLC; and LYNN TILTON,

Defendants, and

180S, INC.; BLACK MOUNTAIN DOORS,
LLC; CROSCILL HOME, LLC; DURO
TEXTILES, LLC; GLOBAL AUTOMOTIVE
SYSTEMS, LLC; HERITAGE AVIATION,
LTD.; INTREPID U.S.A., INC.; IMG
HOLDINGS, INC.; JEWEL OF JANE, LLC;
MOBILE ARMORED VEHICLES, LLC;
SCAN-OPTICS, LLC; SILVERACK, LLC;
STILA STYLES, LLC; SNELLING
STAFFING, LLC; VULCAN
ENGINEERING, INC; and XPIENT
SOLUTIONS, LLC,

Nominal Defendants.

NOTICE OF SECOND AMENDED² AGENDA OF MATTERS SCHEDULED FOR HEARING ON FEBRUARY 22, 2022 AT 10:00 A.M. (ET)

THIS HEARING WILL BE CONDUCTED ENTIRELY OVER ZOOM AND REQUIRES ALL PARTICIPANTS TO REGISTER IN ADVANCE. COURTCALL WILL NOT BE USED TO DIAL IN.

Please use the following link to register for this hearing:

https://debuscourts.zoomgov.com/meeting/register/vJItf-yqqD8oGGbcwhuV_TfBfASqgOJuLO0

AFTER REGISTERING YOUR APPEARANCE BY ZOOM, YOU WILL RECEIVE A CONFIRMATION EMAIL CONTAINING INFORMATION ABOUT JOINING THE HEARING

RESOLVED MATTER

1. Motion of U.S. Bank National Association for Entry of an Order Authorizing U.S. Bank National Association to File Under Seal the Limited Objection and Reservation of Rights of U.S. Bank National Association, as Indenture Trustee, Regarding Motion to Consolidate Patriarch Stakeholders Administrative Expense Claim with the Debtors Adversary Proceeding [D.I. 2995; 1/11/22]

Related Documents:

- A. Limited Objection and Reservation of Rights of U.S. Bank National Association, as Indenture Trustee, Regarding Motion to Consolidate Patriarch Stakeholders Administrative Expense Claim with the Debtors Adversary Proceeding [(SEALED) D.I. 2992; 1/11/22; (UNREDACTED) 3075; 2/17/22]
- B. Notice of Withdrawal [D.I. 3076; 2/17/22]

Response Deadline: February 15, 2022 at 4:00 p.m. (ET)

Responses Received: None as of this date

Status: This matter has been withdrawn.

² All amendments appear in bold.

MATTERS GOING FORWARD

2. Debtors' Amended and Supplemental Motion for Entry of an Order (A) Enforcing the Settlement Agreement and the Ankura Appointment Order Regarding Galey & Lord, LLC Docket No. 2611) and (B) Sanctioning Patriarch [(SEALED) D.I. 3022; 1/26/22; (REDACTED) [D.I. 3064](#); 2/9/22]

Related Documents:

- A. Debtors' Motion for Entry of an Order Enforcing the Settlement Agreement and the Ankura Appointment Order Regarding Galey & Lord, LLC and for Related Relief [(SEALED) D.I. 2611; 6/8/21; (REDACTED) [D.I. 2667](#); 7/14/21]

Response Deadline: February 10, 2022 at 4:00 p.m. (ET); Extended for Ankura Trust Company; Extended to February 17, 2022 at 10:00 a.m. (ET) for Patriarch Stakeholders

Responses Received:

- B. Patriarch's Objection to Debtors' Motion for Entry of an Order Enforcing the Settlement Agreement and the Ankura Appointment Order Regarding Galey & Lord, LLC and for Related Relief [(SEALED) D.I. 2622; 6/15/21; (REDACTED) [D.I. 2747](#); 8/13/21]
- C. Debtors' Preliminary Reply to Patriarch's Objection to Debtors' Motion for Entry of an Order Enforcing the Settlement Agreement and the Ankura Appointment Order Regarding Galey & Lord, LLC and for Related Relief [(SEALED) D.I. 2626; 6/17/21; (REDACTED) [D.I. 2670](#); 7/14/21]
- D. Patriarch's Objection to Debtors' Amended and Supplemental Motion for Entry of an Order (A) Enforcing the Settlement Agreement and the Ankura Appointment Order Regarding Galey & Lord, LLC and for Related Relief (Docket 2611) and (B) Sanctioning Patriarch [D.I. 3074; 2/17/22; (REDACTED) D.I. TBD; TBD]

Status: This matter is going forward as a status conference.

3. Debtors' Motion Pursuant to Local Rule 9019-5(d) (I) to Strike Certain Portions of the Patriarch Claim and Motion to Consolidate and (II) for a Protective Order Precluding Discovery and Introduction of Protected Mediation Information [(SEALED) D.I. 3040; 1/26/22; (REDACTED) D.I. TBD; TBD]

Related Documents:

- A. Debtors' Preliminary Objection to Patriarch Stakeholders' Request for Payment of Administrative Expense Claim [(SEALED) D.I. 3041; 1/26/22; (REDACTED) TBD; TBD]

Response Deadline:

February 14, 2022 at 4:00 p.m. (ET)

Responses Received:

- B. Patriarch Stakeholders' Objection to Debtors' Motion Pursuant to Local Rule 9019-5(d) (I) to Strike Certain Portions of the Patriarch Claim and Motion to Consolidate and (II) for a Protective Order Precluding Discovery and Introduction of Protected Mediation Information [(SEALED) D.I. 3070; 2/14/22; (REDACTED) TBD; TBD]
- C. Debtors' and Independent Director's Reply in Support of Motion Pursuant to Local Rule 9019-5(d) (I) to Strike Certain Portions of the Patriarch Claim and Motion to Consolidate and (II) for a Protective Order Precluding Discovery and Introduction of Protected Mediation Information [(SEALED) D.I. 3079; 2/17/22; (REDACTED) D.I. TBD; TBD]

Additional Documents:

- D. Debtors' Motion for an Order, Pursuant to Local Rule 9006-1(d), Granting Debtors Leave and Permission to File the Reply in Support of Debtors' Motion Pursuant to Local Rule 9019-5(d) (I) to Strike Certain Portions of the Patriarch Claim and Motion to Consolidate and (II) for a Protective Order Precluding Discovery and Introduction of Protected Mediation Information [[D.I. 3080](#); 2/17/22]
- E. **Order, Pursuant to Local Rule 9006-1(d), Granting Debtors Leave and Permission to File the Reply in Support of Debtors' Motion Pursuant to Local Rule 9019-5(d) (I) to Strike Certain Portions of the Patriarch Claim and Motion to Consolidate and (II) for a Protective Order Precluding Discovery and Introduction of Protected Mediation Information** [[D.I. 3084](#); 2/17/22]

Status: The Debtors have filed motion for leave to file a reply. This matter is going forward.

- 4. Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [[D.I. 3059](#)/Adv. Case No. 19-50390 D.I. 174; 2/8/22]

Related Documents:

- A. Notice of Filing of Revised Proposed Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [[D.I. 3077](#); 2/17/22]

Response Deadline: February 15, 2022 at 4:00 p.m. (ET)

Responses Received:

- B. Limited Objection and Reservation of Rights of U.S. Bank National Association to the Debtors' Motion for an Order Establishing A Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation for the Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and its Affiliated Debtors [[D.I. 3071](#)/Adv. Case No 19-50390 D.I. 182; 2/15/22]
- C. Patriarch Stakeholders' Objection to Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection With the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and its Affiliated Debtors [[D.I. 3072](#)/Adv. Case No. 19-50390 D.I. 183; 2/15/22]
- D. Statement and Reservation of Rights of Alvarez & Marsal Zohar Management Regarding Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [Adv. Case No. 19-50390 [D.I. 184](#); 2/15/22]
- E. **Statement of Defendants MBIA Inc. and MBIA Insurance Corporation in Reply to the Patriarch Stakeholders' Objection to the Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [[D.I. 3083](#)/Adv. Case No. 19-50390 D.I. 187; 2/17/22]**

Additional Documents:

- F. **Defendants MBIA Inc.'s and MBIA Insurance Corporation's Motion for Leave to File Late Reply to the Patriarch Stakeholders' Objection to the Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation [[D.I. 3085](#)/Adv. Case No. 19-50390 D.I. 189; 2/17/22]**

Status: This matter is going forward.

MATTER GOING FORWARD WITH ORAL ARGUMENT

5. Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 131; 10/15/21; (REDACTED) D.I. TBD; TBD]

Related Documents:

- A. First Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 125; 9/1/21; (REDACTED) Adv. Case No. 20-50534 [D.I. 129](#); 10/1/21]
- B. Declaration of Theresa Trzaskoma in Support of Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 132; 10/15/21; (REDACTED) D.I. TBD; TBD]
- C. Order Approving Stipulation Regarding Scheduling [Adv. Case No. 20-50534 [D.I. 135](#); 10/25/21]
- D. Declaration of Ryan Bartley in Support of Zohar Funds' Brief in Opposition to Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [Adv. Case No. 20-50534 D.I. 138; 11/24/21]
- E. Notice of Completion of Briefing [Adv. Case No. 20-50534 [D.I. 145](#); 12/27/21]
- F. Order Authorizing the Filing of Portions of the Zohar Funds' Brief in Opposition to Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint Under Seal [Adv. Case No. 20-50534 [D.I. 146](#); 12/28/21]
- G. Request for Oral Argument in Connection with Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [Adv. Case No. 20-50534 [D.I. 148](#); 12/30/21]

Response Deadline: November 24, 2021

Responses Received:

- H. Zohar Funds' Brief in Opposition to Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 137; 11/24/21; (REDACTED) [D.I. 140](#); 12/6/21]
- I. Reply in Further Support of Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 144; 12/23/21; (REDACTED) D.I. TBD; TBD]

Status: This matter is going forward with oral argument.

Dated: February 18, 2022
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Ryan M. Bartley

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